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HALF YEAR AND SECOND QUARTER * FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

* Asterisks denote mandatory information

Name of Announcer *	THAKRAL CORPORATION LTD
Company Registration No.	199306606E
Announcement submitted on behalf of	THAKRAL CORPORATION LTD
Announcement is submitted with respect to *	THAKRAL CORPORATION LTD
Announcement is submitted by *	Anil Daryanani
Designation *	Group Financial Controller
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2010
Description	Please refer to attachments.
Attachments	ThakralCorp_Results_Q2FY10_04Aug10.pdf ThakralCorp_PRQ2FY10_20100804.pdf Total size = **167K** (2048K size limit recommended)

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THAKRAL CORPORATION LTD
(Co. Reg. No. 199306606E)

Half Year and Second Quarter Financial Statements Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) for the six months and second quarter ended 30 June 2010 together with comparative statements for the corresponding period of the immediately preceding financial year

These figures have not been audited.

CONSOLIDATED PROFIT AND LOSS STATEMENT

	Note	Group			Group		
		S$000		%	S$000		%
		Six months ended		Increase /	Three months ended		Increase /
		30 Jun 2010	30 Jun 2009	(Decrease)	30 Jun 2010	30 Jun 2009	(Decrease)
Continuing Operations							
Revenue	1	226,538	212,216	7	115,511	114,318	1
Cost of sales		(215,192)	(201,984)	7	(109,078)	(108,301)	1
Gross profit	1	11,346	10,232	11	6,433	6,017	7
Other operating income	2	1,861	1,318	41	194	269	(28)
Distribution costs	3	(2,402)	(1,876)	28	(1,236)	(1,004)	23
Administrative expenses	4	(7,549)	(7,516)	0	(3,841)	(3,822)	0
Other operating expenses	5	(247)	(261)	(5)	(120)	(129)	(7)
Profit from operations		3,009	1,897	59	1,430	1,331	7
Net gain on disposal of available-for-sale investments	6	28,722	-	NM	28,722	-	NM
Finance income	7	733	636	15	358	339	6
Finance costs	7	(2)	(34)	(94)	(1)	(13)	(92)
Foreign exchange gain (loss)	8	28	1,043	(97)	(281)	905	NM
Profit before income tax, share of results of associates		32,490	3,542	NM	30,228	2,562	NM
Profit from associates		-	1,253	(100)	-	1,253	(100)
Profit before income tax		32,490	4,795	NM	30,228	3,815	NM
Income tax expense	9	(490)	(686)	(29)	(317)	(466)	(32)
Profit from continuing operations		32,000	4,109	NM	29,911	3,349	NM
Discontinued Operations							
Profit (loss) from discontinued operations	10	-	57	(100)	-	(2)	100
Profit for the period / quarter		32,000	4,166	NM	29,911	3,347	NM
Attributable to:							
Owners of the Company		31,848	4,106	NM	29,843	3,314	NM
Non-controlling interests		152	60	153	68	33	106
		32,000	4,166	NM	29,911	3,347	NM

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	S$'000		%	S$'000		%
		Six months ended		Increase /	Three months ended		Increase /
		30 Jun 2010	30 Jun 2009	(Decrease)	30 Jun 2010	30 Jun 2009	(Decrease)
Profit for the period / quarter		**32,000**	**4,166**	**NM**	**29,911**	**3,347**	**NM**
Other comprehensive income							
Translation (loss) gain arising on consolidation	11	(223)	(335)	(33)	432	(7,013)	NM
Net fair value changes in available-for-sale investments	12	(3,378)	1,067	417	(2,463)	11,773	NM
Reclassification to profit or loss from equity upon disposal of available-for-sale investments	6	(29,235)	-	NM	(29,235)	-	NM
Other comprehensive income for the period / quarter, net of tax		**(32,836)**	**732**	**NM**	**(31,266)**	**4,760**	**NM**
Total comprehensive income for the period / quarter		**(836)**	**4,898**	**NM**	**(1,355)**	**8,107**	**NM**
Total comprehensive income attributable to:							
Owners of the Company		(993)	4,823	NM	(1,442)	8,272	NM
Non-controlling interests		157	75	109	87	(165)	NM
		(836)	4,898	NM	(1,355)	8,107	NM

Notes to the Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income:

Note 1:

Turnover improved in view of the higher level of sales activity for consumer electronics in Hong Kong in the period under review. Overall gross profit earned increased by 11% for the half-year compared to the previous corresponding period as a result of increased sales and improved gross margin of 5.0% compared to 4.8% in the previous corresponding period.

Note 2:

Other operating income of continuing operations comprises:

	S$'000		%	S$'000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2010	30 Jun 2009	(Decrease)	30 Jun 2010	30 Jun 2009	(Decrease)
VAT and business tax subsidy	53	65	(18)	41	32	28
Net gain on disposal of properties	1,518	75	NM	(8)	75	NM
Damages and interest received from legal claims	-	853	(100)	-	-	NM
Commission income	207	271	(24)	123	140	(12)
Miscellaneous	83	54	54	38	22	73
Total	1,861	1,318	41	194	269	(28)

(i) The net gain arose on the disposal of a group property in China.

(ii) Commission income declined in view of a lower volume of logistical support business during the period.

Notes to the Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income:

Note 3:

Distribution costs of continuing operations comprise:

	S$'000		%	S$'000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2010	30 Jun 2009	(Decrease)	30 Jun 2010	30 Jun 2009	(Decrease)
Staff costs	(1,138)	(924)	23	(628)	(502)	25
Advertising & promotion	(176)	(75)	135	(52)	(45)	16
Transportation	(539)	(397)	36	(279)	(215)	30
Travelling expenses	(293)	(196)	49	(153)	(111)	38
Others	(256)	(284)	(10)	(124)	(131)	(5)
Total	(2,402)	(1,876)	28	(1,236)	(1,004)	23

(i) Staff costs in the previous corresponding period were lower on account of certain cost reduction steps taken in that period. Staff costs increased in the current period primarily due to the normalization of pay and bonus levels and the addition of sales personnel in new channels of business.

(ii) Advertising charges increased in the latest half-year due to the higher level of advertising and marketing activity in relation to a new product category incurred in the previous quarter.

(iii) Transportation expenses increased in view of the higher level of sales activity in China.

(iv) Travelling expenses were higher due to increased travel by sales personnel.

Note 4:

Administration expenses of continuing operations comprise:

	S$'000		%	S$'000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2010	30 Jun 2009	(Decrease)	30 Jun 2010	30 Jun 2009	(Decrease)
Staff costs (including executive directors)	(4,643)	(3,868)	20	(2,414)	(2,050)	18
Directors' fees	(218)	(183)	19	(109)	(95)	15
Professional fees	(963)	(1,241)	(22)	(433)	(642)	(33)
Rent & rates	(361)	(810)	(55)	(179)	(406)	(56)
Travelling expenses	(177)	(92)	92	(95)	(48)	98
Insurance	(190)	(192)	(1)	(97)	(90)	8
Net (allowance) reversal of allowance for doubtful debts	(196)	75	NM	(196)	55	NM
Impairment in value of investment properties	-	(319)	(100)	-	(319)	(100)
Reversal of impairment charges and provision for planned closure	-	232	(100)	-	232	(100)
Others	(801)	(1,118)	(28)	(318)	(459)	(31)
Total	(7,549)	(7,516)	0	(3,841)	(3,822)	0

(i) Staff costs in the previous corresponding period were lower on account of cost reduction steps taken in that period. Staff costs increased in the current period primarily due to the normalization of pay and bonus levels. The current period also includes the salary costs of a director who was paid consultancy fees and recorded as professional fees in the previous corresponding period.

(ii) Directors had taken a voluntary fee reduction in the previous period. The increase in the current period is primarily due to the normalisation of these fees.

(iii) Professional fees in the current period are lower in comparison to the previous corresponding period due to expenses incurred for the repositioning of the Group's business as well as the consultancy fees paid to a director in relation to this repositioning in the previous corresponding period. The amounts paid to the director are shown under Staff costs in the current period.

(iv) Rent and rates declined for the current period primarily due to the shift of operations to smaller and more economical premises in Hong Kong and Shanghai.

(v) Travelling expenses increased due to increased travelling by management and executive directors.

(vi) The decline in other administration expenses in the current period is due to steps taken for general cost reduction as well as the absence of foreign withholding tax on dividend income in the current period.

Notes to the Consolidated Profit and Loss Statement and Consolidated Statement of Comprehensive Income:

Note 5:
Other operating expenses comprised depreciation charges for the periods.

Note 6:
The disposal of the Group's investment in Gateway Distriparks Ltd, India, during the latest quarter gave rise to the realization of a net gain of S$28.7 million which includes the transfer of the accumulated fair value adjustment reserve amounting to S$29.2 million to the profit and loss statement in accordance with accounting standards and is net of disposal transaction costs.

Note 7:
Finance income improved in the latest period due to the placement of funds in longer term deposits compared to the previous corresponding period.

Finance costs were lower compared to the previous financial year as a result of the repayment of overdrafts.

Note 8:
Foreign exchange gain arose mainly from translation of monetary assets and liabilities, denominated in foreign currencies, outstanding as at the end of the period.

Note 9:
Group income tax for the current period arose mainly in relation to the taxable profits of the distribution business as well as at the property development unit in Wujiang.

Note 10:
The Group's Electronics Manufacturing Services ("EMS") division discontinued its operations in the first quarter of the previous year.

	S$000		%	S$000		%
	Six months ended		Increase /	Three months ended		Increase /
	30 Jun 2010	30 Jun 2009	(Decrease)	30 Jun 2010	30 Jun 2009	(Decrease)
Electronic Manufacturing Services ("EMS")						
Revenue	-	141	(100)	-	27	(100)
Cost of sales	-	(83)	100	-	(30)	100
Gross profit (loss)	-	58	(100)	-	(3)	100
Foreign exchange (loss) gain	-	(1)	100	-	1	(100)
Profit (loss) after tax	-	57	(100)	-	(2)	100

Note 11:

These unrealized differences arise due to fluctuations in exchange rates of the foreign currencies in which the net assets of the Group's overseas operations are denominated.

Note 12:

The change in the value of available-for-sale investments is due to fluctuations in the market value of the Group's listed investment in India (up to the date of disposal) and Australia during the period.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

STATEMENTS OF FINANCIAL POSITION

	Note	Group (S$ '000) as at		Company (S$ '000) as at	
		30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
ASSETS					
Current assets					
Inventories	1	37,096	27,492	-	-
Available-for-sale investments	6	-	34,583	-	34,583
Trade receivables	2	39,516	38,061	-	-
Other receivables and prepayments	4	16,232	6,271	92	260
Bills receivable	3	-	992	-	-
Cash and bank balances	5	23,369	122,967	1,596	75,619
Cash paid to CDP for Cash Distribution	5	130,606	-	130,606	-
Less: Payable to shareholders for Capital Reduction	5	(130,606)	-	(130,606)	-
		-	-	-	-
Total current assets		116,213	230,366	1,688	110,462
Non-current assets					
Property, plant and equipment		4,463	5,118	117	134
Investment properties		11,139	11,249	-	-
Investments in subsidiaries		-	-	93,507	116,783
Available-for-sale investments	6	8,915	9,000	-	-
Total non-current assets		24,517	25,367	93,624	116,917
Total assets		140,730	255,733	95,312	227,379
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables		11,009	4,330	-	-
Bills payables	7	5,272	4,454	-	-
Other payables	8	21,102	12,061	715	670
Provisions		2,531	2,027	-	-
Finance lease		16	16	16	16
Income tax payable		550	1,232	-	-
Total current liabilities		40,480	24,120	731	686
Non-current liabilities					
Finance lease		70	76	70	76
Deferred tax liability		389	304	-	-
Total non-current liabilities		459	380	70	76
Total liabilities		40,939	24,500	801	762
Capital and reserves and minority interests					
Issued capital		72,528	203,134	72,528	203,134
Reserves		23,579	24,572	21,983	23,483
Equity attributable to equity holders of the Company		96,107	227,706	94,511	226,617
Non-controlling interests		3,684	3,527	-	-
Total equity		99,791	231,233	94,511	226,617
Total liabilities and equity		140,730	255,733	95,312	227,379

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2010		As at 31 December 2009	
Secured	Unsecured	Secured	Unsecured
S$ 5,288,000	NIL	S$ 4,470,000	NIL

Amount repayable after one year

As at 30 June 2010		As at 31 December 2009	
Secured	Unsecured	Secured	Unsecured
S$ 70,000	NIL	S$ 76,000	NIL

Details of any collateral

Pledged bank deposits of S$1.3 million

Group's contingent liabilities

	As at 30 June 2010	As at 31 December 2009
Potential property tax	S$ 632,000	S$ 632,000

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	(S$ '000) Six months ended		(S$ '000) Three months ended	
		30 Jun 2010	30 Jun 2009	30 Jun 2010	30 Jun 2009
Cash flows from operating activities					
Profit before income tax		32,490	4,852	30,228	3,813
Adjustments for:					
Share of profit from associates		-	(1,253)	-	(1,253)
Depreciation expense		247	261	120	129
Dividend income from quoted equity shares		-	(567)	-	(369)
Finance lease charges		2	-	1	-
Interest expense		-	34	-	13
Interest income		(733)	(636)	(358)	(339)
Gain on disposal of property, plant and equipment		(1,527)	(1)	-	(6)
Gain on disposal of investment properties		-	(75)	-	(75)
Gain on disposal of available-for-sale investments		(28,722)	-	(28,722)	-
Net foreign exchange (gain) loss		284	(914)	616	(2,195)
Impairment charges for investment properties		-	319	-	319
Allowance for inventories		466	26	250	26
Allowance (reversal) for doubtful trade receivables		184	(204)	184	(204)
Allowance (reversal) for doubtful other receivables		12	(20)	12	-
Operating cash flows before movements in working capital		2,703	1,822	2,331	(141)
Trade receivables		(1,742)	3,360	(5,460)	(3,906)
Other receivables and prepayments		(10,152)	(2,630)	(6,839)	(835)
Inventories		(10,198)	(9,448)	(696)	(2,878)
Trade payables		6,722	4,994	8,411	2,945
Other payables and provisions		9,629	(1,370)	11,157	180
Cash (used in) from operations		(3,038)	(3,272)	8,904	(4,635)
Dividends received		-	562	-	362
Income tax paid		(1,226)	(155)	(436)	(144)
Finance lease charges paid		(2)	-	(1)	-
Interest paid		-	(34)	-	(13)
Interest received		1,093	526	694	250
Net cash (used in) from operating activities		(3,173)	(2,373)	9,161	(4,180)
Cash flows from investing activities					
Additions to property, plant and equipment		(129)	(350)	(39)	(232)
Distribution and net recovery of balances from associates		-	2,421	-	2,421
Proceeds from disposal of available-for-sale investments		30,705	-	30,705	-
Proceeds from disposal of property, plant and equipment		2,101	5	-	5
Proceeds from disposal of investment properties		-	1,682	-	1,682
Net cash from investing activities		32,677	3,758	30,666	3,876
Cash flows from financing activities					
Cash Distribution on Capital Reduction		(130,606)	-	(130,606)	-
Repayment of obligations under finance lease		(6)	-	(3)	-
Decrease (increase) in fixed deposits with maturities exceeding three months	5	81,711	(81,453)	8,755	(81,453)
Decrease (increase) in pledged bank deposits	5	12	(1,314)	1,713	(1,314)
Decrease in bills receivable		988	-	173	-
Increase (decrease) in bills payable		813	3,431	(4,874)	3,431
Net cash used in financing activities		(47,088)	(79,336)	(124,842)	(79,336)
Net effect of exchange rate changes in the balance of cash held in foreign currencies		(291)	440	(252)	(1,509)
Net decrease in cash and cash equivalents		(17,875)	(77,511)	(85,267)	(81,149)
Cash and cash equivalents at beginning of the period		35,590	118,269	102,982	121,907
Cash and cash equivalents at end of the period		17,715	40,758	17,715	40,758
Cash and cash equivalents were represented by:-					
Fixed deposits with maturities less than 3 months, cash at bank and hand	5	19,039	40,758	19,039	40,758
Bank overdraft		(1,324)	-	(1,324)	-
		17,715	40,758	17,715	40,758

Certain re-classifications have been made to prior periods' figures to enhance comparability with those of the current period.

Notes to the Statements of Financial Position and Consolidated Statement of Cash Flows:

Note 1:
Inventories increased to S$37.1 million as at 30 June 2010 from S$27.5 million as at 31 December 2009. The Group had made certain opportunistic purchases as well as purchases to cater to increased seasonal demand and is in the gradual process of clearing such stocks in a way to maintain overall margins.

Note 2:
Trade Receivables increased to S$39.5 million as at 30 June 2010 from S$38.1 million as at 31 December 2009 due to the higher level of business.

Note 3:
Bills receivable represent bankers' acceptances of trade debts due by customers for goods sold and delivered to them.

Note 4:
Other Receivables increased to S$16.0 million as at 30 June 2010 from S$6.3 million as at 31 December 2009 primarily due to increased advances to suppliers as well as rebates receivable from suppliers.

Note 5:
Cash and bank balances are comprised of:

	30-Jun-10	31-Dec-09
Cash and cash equivalents	S$17.8 million	S$35.6 million
Fixed deposits with maturities exceeding three months	S$4.3 million	S$86.0 million
Fixed deposits that have been pledged to the bank against Bills payable (see also note 7 below)	S$1.3 million	S$1.3 million
Total	S$23.4 million	S$122.9 million

The significant reduction in the cash balance was due to the payment of S$130.6 million to the CDP on 30 June 2010 for the Cash Distribution to be made to shareholders pursuant to the Company's Capital Reduction exercise. The CDP paid out the cash distribution to shareholders on 7 July 2010.

Note 6:
The aggregate fair value of the combined portfolio of investments reduced to S$8.9 million as at 30 June 2010 from S$43.6 million as at 31 December 2009 primarily due to the disposal of the available-for-sale quoted equity investment in Gateway Distriparks Ltd, India.

Note 7:
Bills payable of S$5.3 million relate to short-term trade financing for the purchase of goods provided by banks in the PRC to the Group's distribution unit in Shanghai (see also note 5 above).

Note 8:
Other Payables increased to S$20.8 million as at 30 June 2010 from S$12.1 million as at 31 December 2009 primarily due to increased advances received from customers.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2010

S$'000

Group	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2010	203,134	687	33,894	759	(12,506)	1,738	227,706	3,527	231,233
Total comprehensive income for the quarter	-	(3)	(915)	-	(638)	2,005	449	70	519
Balance at 31 Mar 2010	203,134	684	32,979	759	(13,144)	3,743	228,155	3,597	231,752
Total comprehensive income for the quarter	-	(3)	(31,698)	-	416	29,843	(1,442)	87	(1,355)
Capital reduction	(130,606)		-	-	-	-	(130,606)	-	(130,606)
Balance at 30 Jun 2010	72,528	681	1,281	759	(12,728)	33,586	96,107	3,684	99,791

Six months ended 30 June 2009

S$'000

Group	Issued capital	Asset revaluation reserve	Fair value adjustment reserve	Options reserve	Translation reserve	Retained earnings (Accumulated losses)	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance at 1 Jan 2009	203,134	968	19,490	759	(8,486)	(10,043)	205,822	3,926	209,748
Total comprehensive income for the quarter	-	53	(10,706)	-	6,412	792	(3,449)	240	(3,209)
Balance at 31 Mar 2009	203,134	1,021	8,784	759	(2,074)	(9,251)	202,373	4,166	206,539
Total comprehensive income for the quarter	-	(47)	11,773	-	(6,768)	3,314	8,272	(165)	8,107
Transfer from asset revaluation reserve to accumulated losses on disposal of properties	-	(112)	-	-	-	112	-	-	-
Balance at 30 Jun 2009	203,134	862	20,557	759	(8,842)	(5,825)	210,645	4,001	214,646

Six months ended 30 June 2010

S$'000

Company	Issued capital	Fair value adjustment reserve	Options reserve	Retained earnings (Accumulated losses)	Total
Balance as at 1 Jan 2010	203,134	32,600	759	(9,876)	226,617
Total comprehensive income for the quarter	-	(1,775)	-	1,432	(343)
Balance as at 31 Mar 2010	203,134	30,825	759	(8,444)	226,274
Total comprehensive income for the quarter	-	(30,825)	-	29,668	(1,157)
Capital reduction	(130,606)	-	-	-	(130,606)
Balance as at 30 Jun 2010	72,528	-	759	21,224	94,511

Six months ended 30 June 2009

S$'000

Company	Issued capital	Fair value adjustment reserve	Options reserve	Accumulated losses	Total
Balance as at 1 Jan 2009	203,134	19,490	759	(19,354)	204,029
Total comprehensive income for the quarter	-	(7,956)	-	4,603	(3,353)
Balance as at 31 Mar 2009	203,134	11,534	759	(14,751)	200,676
Total comprehensive income for the quarter	-	10,889	-	(1,724)	9,165
Balance as at 30 Jun 2009	203,134	22,423	759	(16,475)	209,841

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since the beginning of the year, a total of 1,045,000 share options expired during the period under the Thakral Corporation Employees' Share Option Scheme 2001.

The number of shares that may be issued on exercise of all the outstanding options under the 2001 Scheme is as follows:-

	As at 30 Jun 2010	As at 31 Dec 2009
Outstanding options	23,223,000	24,268,000

The share capital of the Company reduced to S$72,528,000 from S$203,134,000 during the period upon the payment of S$130,606,000 to the CDP on 30 June 2010 pursuant to the Capital Reduction and Cash Distribution exercise of the Company. The number of shares in issue did not change as a result of the Capital Reduction and Cash Distribution.

The Company did not have any treasury shares as at 30 June 2010 and 31 December 2009.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares was 2,612,113,668 as at 30 June 2010 and 31 December 2009.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

These figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In the current year, the Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS that are relevant to its operations and effective for annual periods beginning on or after 1 January 2010. The Group was mainly affected by the following new / revised FRS:

FRS 27 - Consolidated and Separate Financial Statements (Revised)
FRS 28 - Investments in Associates (Revised)
FRS 103 - Business Combinations (Revised)

The adoption of these new / revised FRS has no material impact on the financial statements of the Group and of the Company.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

From continuing and discontinued operations	Six months ended 30 Jun 2010	Six months ended 30 Jun 2009
(i) Basic earnings per share	1.22 cents	0.16 cent
(ii) Fully diluted earnings per share	1.22 cents	0.16 cent

From continuing operations	Six months ended 30 Jun 2010	Six months ended 30 Jun 2009
(i) Basic earnings per share	1.22 cents	0.16 cent
(ii) Fully diluted earnings per share	1.22 cents	0.16 cent

From continuing and discontinued operations	Three months ended 30 Jun 2010	Three months ended 30 Jun 2009
(i) Basic earnings (loss) per share	1.14 cents	0.13 cent
(ii) Fully diluted earnings (loss) per share	1.14 cents	0.13 cent

From continuing operations	Three months ended 30 Jun 2010	Three months ended 30 Jun 2009
(i) Basic earnings (loss) per share	1.14 cents	0.13 cent
(ii) Fully diluted earnings (loss) per share	1.14 cents	0.13 cent

Basic earnings and diluted earnings per share are computed on the profit for the periods after taxation and deduction of minority interests divided by 2,612,113,668 being the weighted average number of shares in issue during the periods / quarters ended 30 June 2010 and 30 June 2009. The diluted earnings per share for the six months and the quarter ended 30 June 2010 are computed on the profit for the period / quarter after taxation and deduction of minority interests divided by 2,613,359,447 with 1,245,779 shares and 2,613,345,235 with 1,231,567 shares being the dilutive effect of potentially exercisable options outstanding as at the end of the period and quarter respectively.

7. Net asset value (for the issuer and group) per ordinary share based on issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

Net Asset Value

	As at 30 Jun 2010	As at 31 Dec 2009
Group	3.68 cents	8.72 cents
Company	3.62 cents	8.68 cents

The decline in net asset value per share to 3.68 cents was primarily due to the reduction of capital by the Company pursuant to which the Company paid out cash at 5 cents per share amounting to a total of S$130.6 million to the CDP on 30 June 2010 for distribution to shareholders. The Cash Distribution to shareholders was made by the CDP on 7 July 2010.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors.

It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review – Six months ended 30 June 2010

The Company successfully completed its Capital Reduction exercise and the Cash Distribution of S$130.6 million to shareholders on 7 July 2010. The excess cash funds held by the Group and the proceeds from the disposal of its investment in Gateway Distriparks Ltd, India, ("GDL") during the quarter ended 30 June 2010 was used for cash distribution. The Company recorded a gain of S$28.7 million in its income statement upon the sale.

Turnover & Profitability

The Group achieved consolidated revenue of S$226.5 million for the half-year ended 30 June 2010, an increase of 6.7% over S$212.2 million achieved in the previous half year ended 30 June 2009 ("previous corresponding period"). The Consumer Electronics Distribution business, particularly in Hong Kong, continued to drive this growth with distribution sales increasing 6.5% over the previous corresponding period. The property division in Wujiang also achieved some growth over the low base of last year by successfully completing sales of some commercial units during the latest period.

Group gross profit improved by 11% to S$11.3 million in the current period. Gross margin increased slightly to 5.0% from 4.8% in the previous corresponding period. During the latest quarter ended 30 June 2010, while turnover increased by 1.0% to S$115.5 million compared to the previous corresponding quarter, the gross margin improved from 5.3% to 5.6%.

Other income increased by 41% to S$1.9 million in the latest period as compared to S$1.3 million in the previous corresponding period mainly due to the gain on disposal of properties in the previous quarter.

Net Finance income at S$0.7 million for the latest period increased by 21% over the S$0.6 million earned in the previous corresponding period.

Foreign exchange gains of S$0.03 million in the current period arose primarily from the translation of monetary assets and liabilities denominated in foreign currencies outstanding as at the end of the period. This compares with gains of S$1.0 million in the previous corresponding period.

The results of the previous corresponding period had included a gain of S$1.3 million from the disposal by the Group's associate of its sole investment in an information technology park in India. No such gain arose in the current period.

Group net income attributable to shareholders for 1H-FY2010 was S$31.8 million as against S$4.1 million achieved in the previous corresponding period.

Expenses

The Distribution expenses increased to S$2.4 million in the current period from S$1.9 million in the previous corresponding period. While marketing and promotional efforts for the new game and media products continued during the quarter, there were increased expenses during the current period on sales and marketing staff, transportation and travelling to cater to the increase in the level of business activities.

Overall administration expenses for 1H-FY 2010 of S$7.5 million and Q2-FY 2010 of S$3.8 million were similar to that of the previous corresponding periods. The previous corresponding period incorporated voluntary reductions in employee pay and bonus as well as director's fees which were normalized during the current financial year. The consequent increase in staff costs and director fees were compensated by reduced rental costs and professional fees during the current period.

Group income tax was mainly in relation to the taxable profits of the distribution business and of Wujiang Dafa.

Working Capital and Cash Flow

Inventories of S$37.1 million as at 30 June 2010 remained broadly at Q1-FY2010 level but were higher compared to S$27.5 million as at 31 December 2009. The Group had made certain opportunistic purchases as well as purchases to cater to increased seasonal demand and is in the gradual process of clearing such stocks in a way to maintain overall margins. Trade and Bills Receivables of S$39.5 million as at 30 June 2010 were marginally higher than S$39.1 million as at 31 December 2009. Other Receivables increased to S$16.2 million as at 30 June 2010 from S$6.3 million as at 31 December 2009 primarily due to increased advances paid to suppliers and rebates receivable from suppliers. The aggregate value of Available-for-sale investments dropped to S$8.9 million as at 30 June 2010 from S$43.6 million as at 31 December 2009 primarily due to the disposal of the Group's investment in GDL. Other Payables increased to S$21.1 million as at 30 June 2010 from S$12.1 million as at 31 December 2009 primarily due to increased advances received from customers.

The overall operational cash outflow position for the current period of S$3.0 million was broadly similar to that of the previous corresponding period. However, the net operational cash outflow in the current period was S$3.2 million as against an outflow of S$2.4 million in the previous corresponding period was broadly a result of increased taxes paid and absence of dividend income in the current period. For the latest quarter, there was a net operational inflow of $9.2 million as compared to an outflow of S$4.2 million in the previous corresponding quarter. This arose mainly from the increase in dues to trade creditors and recoveries of other receivables in the current quarter as compared to the previous corresponding quarter.

Net Asset Value

Net Asset Value per share as at 30 June 2010 was 3.68 cents as compared to 8.72 cents as at 31 December 2009. This was primarily due to the reduction of capital by the Company pursuant to which the Company paid out cash amounting to S$130.6 million to the CDP on 30 June 2010 for distribution to shareholders. The Cash Distribution to shareholders was made by the CDP on 7 July 2010.

Performance Summary

Distribution

Turnover of the distribution segment increased to S$224.8 million for the current period, an increase of 7% over the S$211.0 million achieved in the previous corresponding period. Segment result in the latest period was S$3.3 million. Excluding the one-off legal damages and interest of S$0.8 million received in the previous corresponding period, a growth of 18% was recorded.

Property

The property segment continued the pick up in sales in the current quarter as compared to the low base set in the previous corresponding period. Segment results include the gain of S$1.5 million from the disposal of a building in Chengdu, China in the previous quarter. The costs of this segment also include the costs of the new real estate division. With the capital reduction completed, the real estate business has refocused its efforts to identify investment opportunities in line with its reduced capacity and to identify co-investors for the transactions under consideration.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's operational performance in the period met management's expectations.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The PRC Government's gradual wind-down of stimulus spending combined with controls on bank lending and property speculation has affected the Chinese economy resulting in GDP growth slowing to 10.3% in the second quarter of 2010 compared with the first quarter's 11.9% growth rate. Although this slowdown had been expected, policy makers may be pressured to find new ways to support growth if it continues to slow substantially in the second half. While we are yet to see any effects of this slowdown in the channel sales of consumer electronics products in China, given the Government's desire to keep the economy growing, any downturn in demand is expected to be relatively mild.

Following the recent capital reduction exercise, the Group is refocusing its distribution business on higher margins by making more effective use of its limited capital resources. The Group will be curtailing certain businesses in China which have a high turnover but limited margins. The resources released will be redeployed to more profitable channels. As a result, the Group expects a reduction in turnover in 2H-FY2010. However, with a refocus on more profitable businesses, the reduced turnover is not expected to have a material impact on profitability,

In anticipation of growth in the distribution sector as well as potential investment in the property sector, the Group is seeking increased working capital facilities from banks to finance its distribution business and the property investment business. Accordingly, the Group's bank borrowings and interest costs may increase going forward while interest income will decline.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

Subsequent to 31 December 2009, the directors do not recommend any payment of dividend.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group which operates in two geographical segments being the People's Republic of China (including Hong Kong) and others (India, Japan and Singapore), has 4 main core divisional activities as follows:

a) Distribution ("DIST")
b) Electronic manufacturing services ("EMS") – operations were discontinued during previous year
c) Property holding division ("PPT")
d) Others ("OTH") - those activities which do not fall into the above categories

Group's reportable segments

S$'000
Six months ended 30 June 2010

	DIST	EMS	PPT	OTH	TOTAL
Revenue					
External sales from continuing operations	224,786	-	1,752	-	226,538
Result					
Segment result from continuing operations	3,336	-	1,650	(1,035)	3,951
Unallocated corporate expenses					(942)
Gain on disposal of available-for-sale investments					28,722
Finance income					733
Finance costs					(2)
Foreign exchange gain					28
Profit before income tax and share of results of associates					32,490
Share of results of associates					-
Profit before income tax					32,490
Income tax expense					(490)
Net profit for the period					32,000
Other information					
Capital expenditure:					
Property, plant and equipment	125	-	-	4	129
Depreciation expense of continuing operations	188	-	52	7	247
Assets					
Segment assets	108,917	-	21,158	10,655	140,730
Assets of discontinued operations		-			-
Total assets					140,730
Liabilities					
Segment liabilities	36,898	-	2,075	794	39,767
Liabilities of discontinued operations		233			233
Income tax payable					550
Deferred tax liability					389
Total liabilities					40,939

S$'000
Six months ended 30 June 2009

	DIST	EMS	PPT	OTH	TOTAL
Revenue					
External sales from continuing operations	211,020	-	629	567	212,216
Result					
Segment result from continuing operations	3,681	-	(95)	(986)	2,600
Unallocated corporate expenses					(703)
Finance income					636
Finance costs					(34)
Foreign exchange gain					1,043
Profit before income tax and share of results of associates					3,542
Share of results of associates					1,253
Profit before income tax					4,795
Income tax expense					(686)
Profit after tax from continuing operations					4,109
Profit from discontinued operations		57			57
Net profit for the period					4,166
Other information					
Capital expenditure: Property, plant and equipment	350		-	-	350
Depreciation expense of continuing operations	207	-	50	4	261
Assets					
Segment assets	106,103	-	26,651	107,221	239,975
Assets of discontinued operations		237			237
Total assets					240,212
Liabilities					
Segment liabilities	19,958	-	2,343	267	22,568
Liabilities of discontinued operations		1,557			1,557
Income tax payable					1,306
Deferred tax liability					135
Total liabilities					25,566

Geographical information

S$'000

Geographical segments:	**Revenue**		**Capital expenditure**		**Non-current assets**	
	30 Jun		30 Jun		30 Jun	
	2010	2009	2010	2009	2010	2009
People's Republic of China (including Hong Kong)	217,693	202,702	48	340	13,825	15,278
Others	8,845	9,655	81	10	1,777	1,562
	226,538	212,357	129	350	15,602	16,840

The basis of the information stated under the geographical segment above is the aggregate of the relevant figures from companies incorporated in those countries.

Revenue from discontinued operations was all derived in the People's Republic of China.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

See item 8 on review of performance

15. A breakdown of revenue

Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable

17. The aggregate value of interested person transactions entered into during the financial period under review

Name of interested person	Aggregate value of all interested person transactions during the six months ended 30 June 2010 under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000) *
	S$'000	S$'000
Thakral Brothers Pte Ltd and subsidiaries		
Purchases, net of returns	2,341	N/A
Operating lease charges paid / payable	168	N/A

* No general mandate was in effect during the period.

BY ORDER OF THE BOARD

Tan Ping Ping
Chan Lai Yin
Company Secretaries
4 August 2010

Statement Pursuant to SGX Listing Rule 705(4) of the Listing Manual
The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results for the 6 months ended 30 June 2010 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Kartar Singh Thakral
Chairman

Inderbethal Singh Thakral
Director
4 August 2010

THAKRAL CORPORATION LTD
(Incorporated in the Republic of Singapore on 7 October 1993)
(Company Registration No. 199306606E)

PRESS RELEASE

THAKRAL POSTS RECORD HALF-YEAR NET PROFIT OF S$31.8 MILLION FOR FIRST HALF OF FY2010

- **Operating profit jumped 59% to reach S$3 million in 1HFY10**
- **Successfully completed capital reduction exercise and distributed S$130.6 million to shareholders on July 7, 2010**
- **Gained S$28.7 million from sale of investment in Gateway Distriparks Limited, India in Q2FY10**

Singapore, August 4, 2010 – SGX-Mainboard-Listed Thakral Corporation Ltd ("Thakral" or the "Group") has achieved a record net profit of S$31.8 million for the first half of FY2010.

The big jump was boosted by a S$28.7 million gain from the sale of its investment in Gateway Distriparks Limited ("GDL") in India in Q2FY10.

It had used its cash surplus and proceeds from the sale of its investment in GDL to successfully complete its capital reduction exercise and cash distribution of S$130.6 million to its shareholders on July 7, 2010.

Excluding the gain from the sale of its investment in GDL, the Group registered a net profit attributable to shareholders of S$3.1 million on the back of a 7% gain in revenue to S$226.5 million in 1HFY10. This was lower than the Group's net profit attributable to shareholders of S$4.1 million in 1HFY09, which included the profit on sale of an associated company of S$1.3 million.

On a quarter-to-quarter basis, Group net profit attributable to shareholders in Q2FY10 was S$29.8 million against S$3.3 million achieved in Q2FY09.

However, excluding the gains from the sale of its various investments and the gains or losses arising out of foreign exchange fluctuations net profit attributable to shareholders for Q2FY10 of S$1.5 compares well against S$1.2 million achieved in the previous corresponding quarter Q2FY09.

There has been a gradual rise in the gross profit margins during the year; up from 5.3% in Q2FY09 to 5.6% in Q2FY10 and from 4.8% in 1HFY09 to 5% in 1HFY10.

Segmental Performance

Distribution

Distribution presently remains the key profit driver for the Group, accounting for 99.2% or S$224.8 million of the Group revenue for 1HFY10. This was up 6.5% from S$211 million in 1HFY09.

Excluding the one-off legal damages, interest and costs of S$0.9 million received in the previous corresponding period, income from the consumer electronics distribution business continued to grow by 18% to S$3.3 million in 1HFY10, up from S$2.8 million in 1HFY09. This is mainly driven by the 7% increase in distribution sales compared to the previous corresponding period, in the Group's key markets particularly Hong Kong.

Property

The property division also returned to the black with a net profit of S$1.7 million for the half year ended June 30, 2010, against a loss of S$0.1 million in the same period last year. Turnover for this division more than doubled to reach S$1.8 million in 1HFY10 compared to S$0.6 million reported in 1HFY09.

The 1HFY10 performance of this division includes a gain of S$1.5 million from the disposal of a building in Chengdu, China in the previous quarter. Following the completion of the capital reduction exercise, the Group has identified co-investors for real estate projects, to promote the growth of the real estate investment business and to enable the Group to participate in larger transactions than it could on its own.

Earnings Per Share and Net Asset Value Per Share

Group Earnings Per Share (from continuing and discontinued operations) for 1HFY10 was 1.22 cents, up from 0.16 cent for 1HFY09.

Group Net Asset Value Per Share fell to 3.68 cents for 1HFY10, compared to 8.72 cents as of December 31, 2009. This decline was the result of the capital reduction and cash distribution of 5 cents per share for which funds were paid to The Central Depository (Pte) Limited on June 30, 2010 for distribution to shareholders, which occurred on July 7, 2010.

Going Forward

Mr Kartar Singh Thakral, Executive Chairman of Thakral said: “The Group continues to be financially strong even after our S$130.6 million capital reduction and cash distribution. Going forward, the Group will make effective use of its remaining capital by taking steps to grow its distribution channels and improve product mix, by adding higher margin products, which should result in improved margins.

“In anticipation of growth in the distribution sector as well as our potential investment in the property sector, we will also be seeking increased working capital facilities from banks to finance our distribution business and for the property investment businesses. As such, we expect the Group’s bank borrowings and interest costs to increase while dividend and interest income from investments to decline following the cash distribution to shareholders.

“To ensure a better return on capital utilised, the Group will be curtailing certain businesses in China which have a high turnover but limited margins. The resources will be redeployed to more profitable channels. As a result, the Group expects a reduction in turnover in 2HFY10. But this is not anticipated to have a material impact on profitability.

“While China’s economic growth may ease in the coming months, we expect the economic impact to be mild, as the Chinese government will take steps to manage the pace of growth to ensure continued prosperity for the country. Therefore, barring unforeseen circumstances, the Group is optimistic of remaining profitable for the rest of the year.”

About Thakral

Listed on the SGX Mainboard since December 1995 with its headquarters in Shanghai, China, Thakral Corporation Ltd is in the consumer electronics distribution business as well as strategic property and equity investments.

Presently, China (including Hong Kong) and India are the Group's key markets for its products. Under its extensive consumer brand portfolio are global names such as Apple, Canon, Casio, Fuji, Hewlett-Packard, Kodak, Lenovo, Nikon, Nokia, Orion, Panasonic, Samsung and Sony.

Major products distributed under these key brands include digital cameras, desktop and notebook computers, data projectors, MP3/MP4/MP5 players, personal digital assistants ("PDAs"), data projectors, mobile phones, console game players, printers, electronic accessories and consumables.

The Group also markets and distributes trendy consumer electronics products under its own proprietary brand "YES". These products include audio players and accessories, portable media players, portable DVD players, LCD/Plasma/LED-backlit LCD TVs, digital photo frames, LED flashlights, battery chargers and memory cards.

The Group is exploring new opportunities to step up its existing property business to enhance shareholder value.

Release issued on behalf of Thakral Corporation Ltd by
Stratagem Consultants Pte Ltd

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